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DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

The National Highways Association (Washington) is publishing pamphlets in advocacy of good roads to be aided by the federal government. These contain many maps, statistical data, and photographs which will be of considerable service to students of our national resources.

The Department of Agriculture has issued *Live Stock of the United States* (Feb. 7, 1914, pp. 43); *Statistics of Sugar in the United States and its Insular Possessions, 1881-1912* (March 10, 1914, pp. 25); and *A Farm-Management Survey of Three Representative Areas in Indiana, Illinois, and Iowa* (Jan. 14, 1914, pp. 42).

The federal Bureau of Labor Statistics, in Bulletin No. 130, *Wheat and Flour Prices from Farmer to Consumer*, by J. Chester Bowen (Washington, 1914, pp. 12), discusses the prices paid to the farmer for wheat and the prices received for flour by the jobber and retailer. The object of the investigation is to ascertain the relation existing between wheat prices and retail prices of flour, and also to determine the cost of distribution as the wheat and flour pass from the producer to the consumer.

In connection with the seventh annual convention of the National Cannery Association, held in Baltimore, February, 1914, there was prepared *A History of the Canning Industry*, edited by Arthur I. Judge (Baltimore, pp. 158).

The Merchants Association of New York has published a valuable pamphlet, *Digest of a Report on a Comparative Study of the Economic, Industrial and Commercial Conditions in the Free Ports of Europe and the Port of New York*, by Philip B. Kennedy. Early in 1913 the Merchants Association endeavored to secure an expression of opinion as to the advisability of establishing a free port in New York. The opinions thus collected showed much disagreement. Further study, therefore, was thought necessary, and Mr. Kennedy was sent abroad to make an investigation. Mr. Kennedy visited the free ports of Hamburg, Bremen, and Copenhagen, and the non-free ports of Rotterdam and Antwerp (pp. 55).

Corporations

RAILROAD ACCOUNTING SYSTEM. In 1910, the Interstate Commerce Commission instituted a revised *Classification of Expenditures for*

Additions and Betterments of Steam Roads, in which were prescribed the methods of accounting for losses occasioned by the abandonment of property. In these regulations a distinction was made between property abandonment occasioned *directly* because of improvements and property abandonment *incidental* to improvements. Losses occasioned by property abandoned or withdrawn directly and not replaced (unless the property unit, in any instance, be less than \$200) was required to be charged to profit and loss, "to which should also be charged any incidental expenses connected with the retirement." Abandonment *as an incident* to improvements was held to be a loss chargeable entirely to current earnings. In the event that such a loss in any one year should "unduly burden the accounts," the commission may permit a portion of the loss to be carried forward as a periodical charge against the earnings of subsequent years.

These rulings threatened to seriously impair the net earnings of railroads undertaking heavy improvement and reconstruction work, such as the relocation of tracks, bridges, and the like. Accordingly, a suit was brought by the Kansas City Southern Railway in the Commerce Court, and finally carried to the Supreme Court, to test the validity of the commission's rulings. In 1909 the Kansas City Southern issued \$10,000,000 bonds, out of the proceeds of which \$1,250,000 was set aside for the reduction of grades. It was found cheaper at some points to build sections over new routes and to abandon the old sections rather than to raise or lower the old tracks at these points. The latter method would have cost \$1,230,319, but by putting in new sections at six points the expense was reduced to \$629,400. The sections abandoned were discarded not because they were out of repair or worn out or obsolete, but merely *as an incident* to the most economical method of effecting the improvement.

The regulations of the commission required that the estimated value of the property abandoned should be written from the books and that the net loss, *viz.*, \$491,000, should be entered as an operating expense. "The injustice and absurdity of these regulations," says the plaintiffs' brief in the case, "are clear from the fact that had the improvements been made on the original roadway, the regulations of the commission, without any of this chaotic confusion, would have permitted and required that the entire expenditure be added to the property accounts, and no sum whatever should be charged to operating expenses."

The railroad company contended that the rulings regarding losses from property abandoned were unreasonable, beyond the power or authority of either Congress or the commission, and violative of the

fifth amendment to the Constitution as being a deprivation of property without due process of law. The last contention was based on the theory that the company's preferred stockholders had a vested right in the customary dividends which they had been receiving, and that to charge heavy losses due to property abandonment against current earnings "is to reduce the amount of net earnings applicable to dividends and thereby cause an irreparable loss to preferred stockholders."

In its decision, the court upheld the section of the Interstate Commerce Act giving full power to the commission to regulate accounts of carriers. Regarding the contention that property abandoned as an incident to permanent improvements is not an operating expense, the court admitted that "in so complicated a matter as the construction, maintenance, and operation of a railroad line, it is difficult to define and perhaps more difficult to consistently apply a precise distinction between capital and expense accounts." However, if the commission's accounting rules "do no violence" to the general principles upon which the distinction between capital expenditures and operating expenditures are based, the court must ignore the effects of the practical application of the principles. Thus, though granting that there is much force in the argument that losses from property abandonment are more properly a charge against profit and loss than against current earnings, the court was "unable to see that it furnishes ground for judicial interference."

New York University.

A. M. SAKOLSKI.

SHIPPING COMBINATIONS. The *Report on Steamship Agreements and Affiliations in the American Foreign and Domestic Trade* (Washington, 1914, pp. xiv, 459) is the fourth volume of the *Proceedings of the Committee on the Merchant Marine and Fisheries in the Investigation of Shipping Combinations*, and concludes what is probably one of the most interesting investigations of recent years. The report is divided into three sections: part I, dealing with American foreign trade; part II, dealing with American domestic trade; and a section embodying the recommendations of the committee for dealing with these combinations. A very complete and comprehensive index of more than 25 pages facilitates reference. This index is in addition to the one of 50 pages supplementing the two volumes of testimony. The conferences and agreements are taken up and discussed by trade groups as Agreements in the Trade with South America (ch. 6). Numerous large charts are introduced which show the affiliations of the various lines and which indicate clearly their membership in various conferences. The last chapter of part I is devoted to a summary of the methods of

conferences and agreements, their advantages and disadvantages, and recommendations made to the committee for their regulation. A similar summary is made for the domestic trade in the last chapter of part II. The report is extremely well done and great credit for its excellence is due to Dr. Huebner, of the University of Pennsylvania, who prepared it under the direction of the chairman of the committee.

The most interesting portion of the volume is the brief final section containing the recommendations of the committee. So far as foreign trade is concerned the committee states that only two courses of action were open for adoption: (1) to attempt the restoration of unrestricted competition by prohibiting all agreements and understandings; or (2) to recognize them but to eliminate existing disadvantages and abuses. The latter is the plan favored by the committee, which proposes: to place lines engaged in the foreign trade under the jurisdiction of the Interstate Commerce Commission; to require all agreements, memorandums of understanding, etc. to be filed with that body; to give the commission power to investigate complaints, institute proceedings, etc; to forbid rebating and discriminations; to prohibit fighting ships and deferred rebates; and, finally, to provide penalties adequate to enforce these provisions.

To the mind of the writer the above program presents one serious defect. This is in the prohibition of deferred rebates. If the requisite regularity and rapidity of service in many trades is to be maintained, it is submitted that a conference should not be subjected to the competition of tramp steamers which drop into port from time to time offering to take cargo at extremely low rates. Unless some form of deferred rebate under adequate supervision is permitted, it is extremely difficult to see how, in many cases, it will pay either to maintain a regular service or to devote to the traffic sufficiently large and high-powered steamers to secure rapid transportation. It certainly does not seem fair that traffic developed by lines maintaining these conditions should be at the mercy of a chance tramp steamer.

The recommendations of the committee in regard to domestic water carriers are along lines not dissimilar to those made in reference to foreign carriers. It is proposed that the former also be placed under the jurisdiction of the Interstate Commerce Commission and regulated accordingly.

WILLIAM S. STEVENS.

GOVERNMENT OWNERSHIP OF ELECTRICAL MEANS OF COMMUNICATION. In response to a Senate resolution of January 12, 1914, a com-

mittee of the Post Office Department has prepared and transmitted by the Postmaster General to the Senate a report on *Government Ownership of Electrical Means of Communication* (Washington, Sen. Doc. No. 399, 62 Cong., 1 Sess., 1914, pp. 148). It was called for because of the following passages in the annual report of the Postmaster General for the fiscal year 1913:

A study of the constitutional purposes of the postal establishment leads to the conviction that the Post Office Department should have control over all means of the communication of intelligence . . . Since June last the department has been conducting a careful investigation to determine the desirability and practicability of extending the government ownership and control of means of communication, with a view to the acquisition by the government of the telegraph and telephone facilities, to be operated as an adjunct to the Postal Service.

The report proper is comparatively brief and concludes with the following recommendations: (1) That Congress declare a government monopoly over all telegraph, telephone, and radio communication, and such other means for the transmission of intelligence as may hereafter develop. (2) That Congress acquire by purchase at this time at the appraised value the commercial telephone network, except the farmer lines. (3) That Congress authorize the Postmaster General to issue, in his discretion and under such regulations as he may prescribe, revocable licenses for the operation, by private individuals, associations, companies, and corporations, of the telegraph service and such parts of the telephone service as may not be acquired by the government.

The greater portion of the document consists of appendices, containing a historical resumé of the agitation for government ownership of the telegraph and telephone in the United States, a summary of state legislative action relative to telephone and telegraph service, and, most important of all, a series of statistical tables relative to postal, telephonic, and telegraphic services in the principal countries of the world. The Postmaster General apparently relies upon this statistical evidence to demonstrate the following propositions: (1) That competition, in the long run, produces neither as adequate nor as satisfactory service as monopoly, nor such reasonable rates. (2) That private monopoly is less efficient than governmental monopoly, charges higher rates, and renders less adequate service. This or similar evidence is likewise relied upon by the chief advocates of "postalization" of the telephone in Congress, notably Congressman Lewis of Maryland.

The validity of the evidence in support of the second proposition has been challenged by the American Telephone & Telegraph Co. (*Commercial Bulletin*, No. 7, Commercial Engineer's Office, New York, March 2, 1914.) Even without the aid of the exhaustive criticism by the engineers in the service of the telephone company, it would be evident to the economist that the Postmaster General's statistical evidence does not demonstrate his propositions, as he supposes. The careful student, however, will examine both documents, and he will not then conclude that the Postmaster General's case cannot be demonstrated. He will content himself with the Scotch verdict, not proven.

A. N. HOLCOMBE.

Students of railway questions will undoubtedly wish to obtain as a separate publication the decision of the Interstate Commerce Commission in the industrial railways case "in the matter of allowances to short lines of railroads serving industries," decided January 20, 1914. This is printed as a separate (pp. 212-373).

The *First Annual Report of the Public Service Commission of Massachusetts*, in advance form, has been issued (Boston, 1914, Pub. Doc. No. 14, pp. 116). Some thirty pages are given to the subject of telephone rates, with a report of the engineers, D. C. and W. B. Jackson. A series of diagrams also illustrates this topic.

The resolutions of the Chamber of Commerce of the State of New York, adopted February 19, 1914, in regard to proposed anti-trust legislation, with a statement of the underlying principles that should control the regulation of business, has been published in a separate pamphlet (pp. 10).

Labor

SOCIAL POLITICS IN CALIFORNIA. Under the vigorous leadership of Governor Hiram W. Johnson, California is making rapid progress in social legislation. Three carefully selected commissions, with ample appropriations for effective work, have recently entered upon their labors.

The Commission of Immigration and Housing, organized November 1, 1913, chose Paul Scharrenberg, secretary of the State Federation of Labor, as secretary, and Carleton H. Parker, of the State University, as executive officer. Professor Parker outlines the scope of the commission's activities as follows:

We are not only to prepare the state for the problems that will arise when the new immigrant comes in through the Panama canal, but we shall also



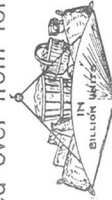
The weight symbolizing a purse, represents M , the money in circulation in the United States (i. e. all money outside of the U. S. Treasury and the banks). It is usually between one and two billions.

The leverage of this purse, or its distance from the fulcrum, represents V , the velocity of circulation of money. Money usually turns over about twenty times a year.



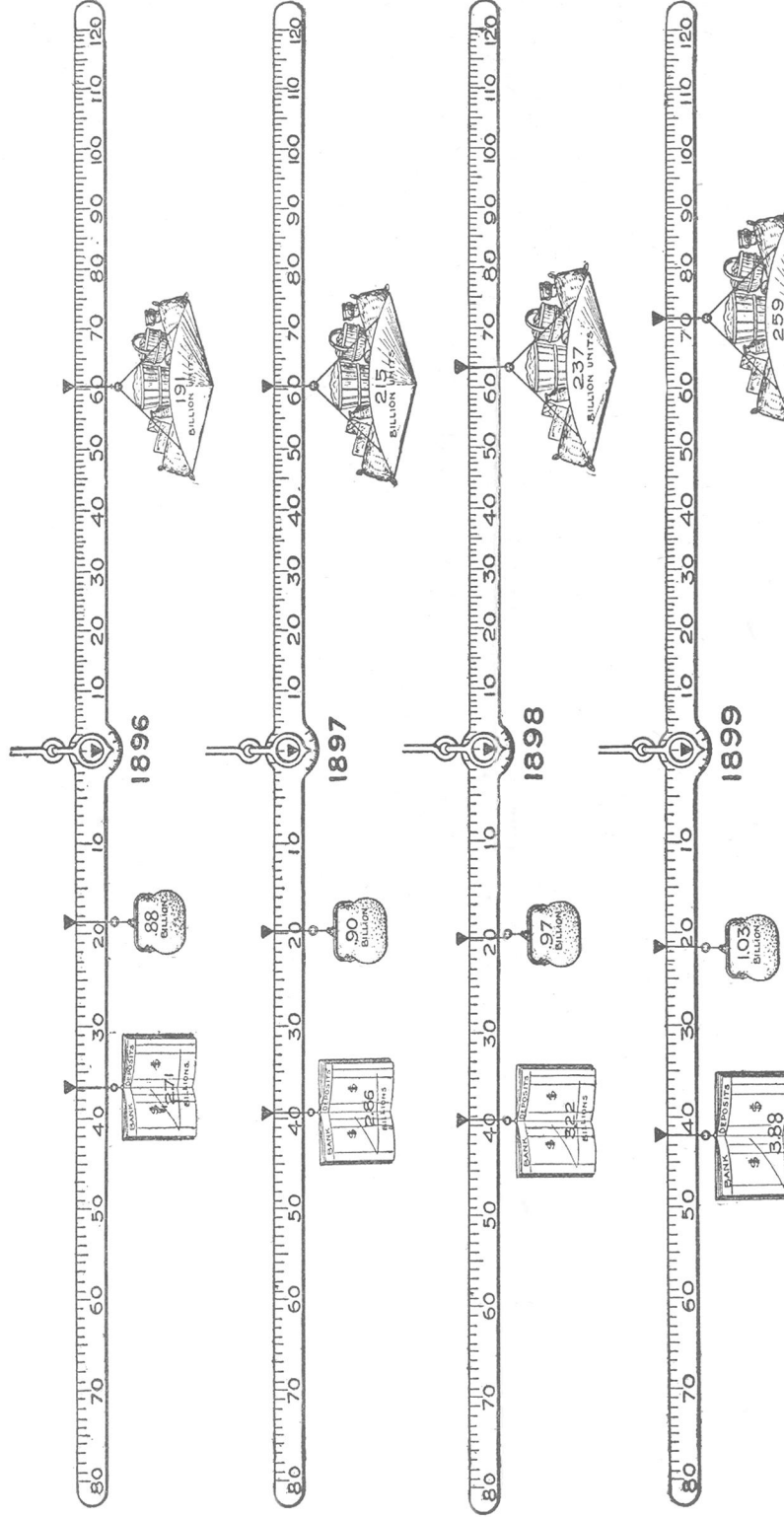
The weight symbolizing a bank book, represents M' , the bank deposits against which checks are drawn (usually from three to eight billions).

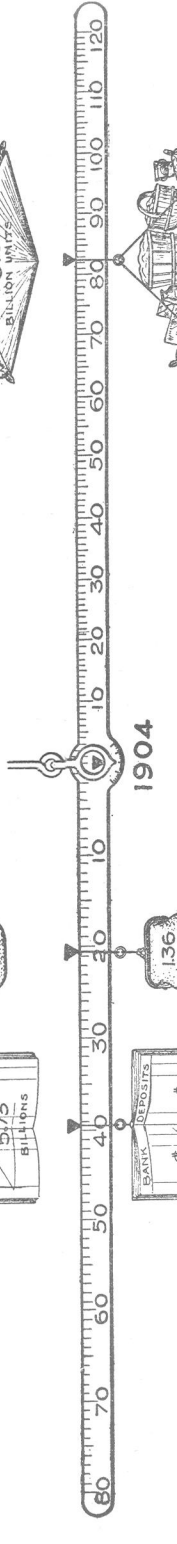
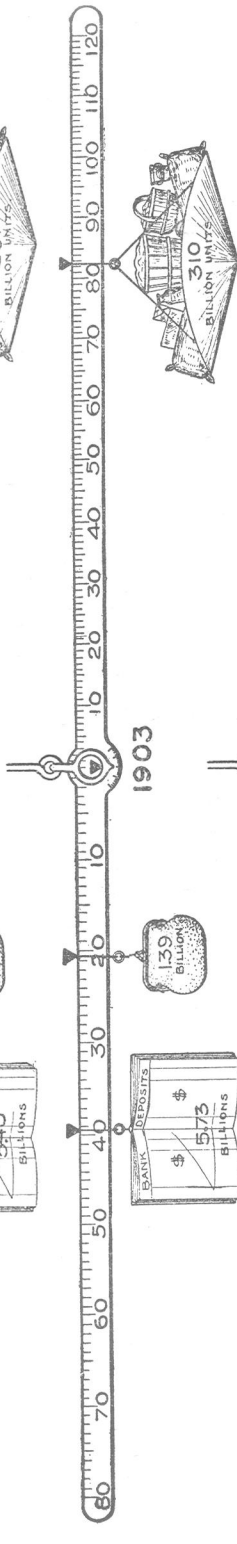
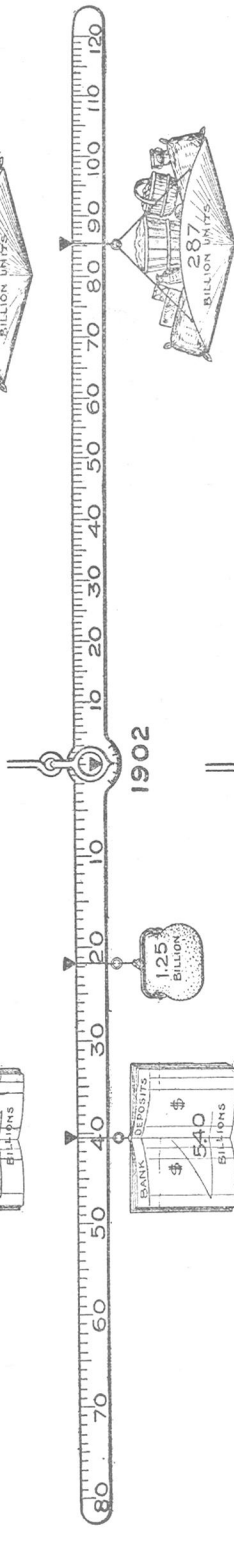
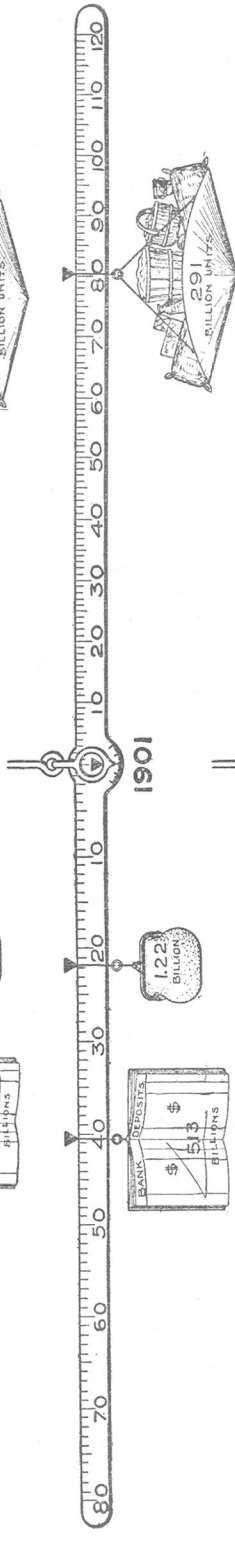
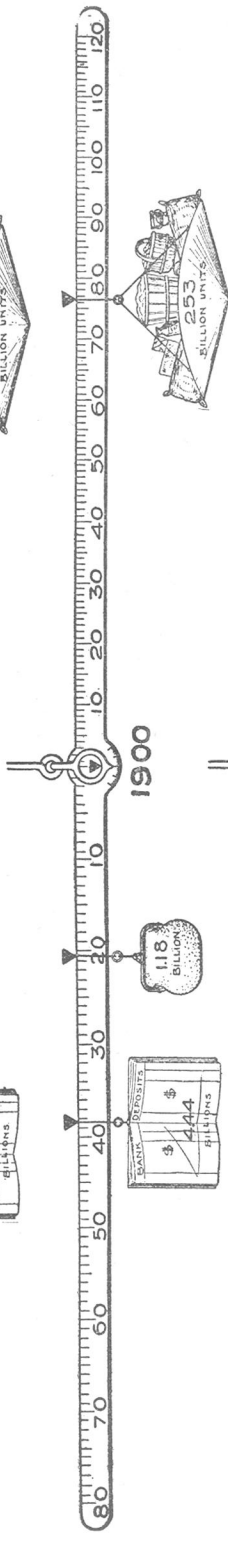
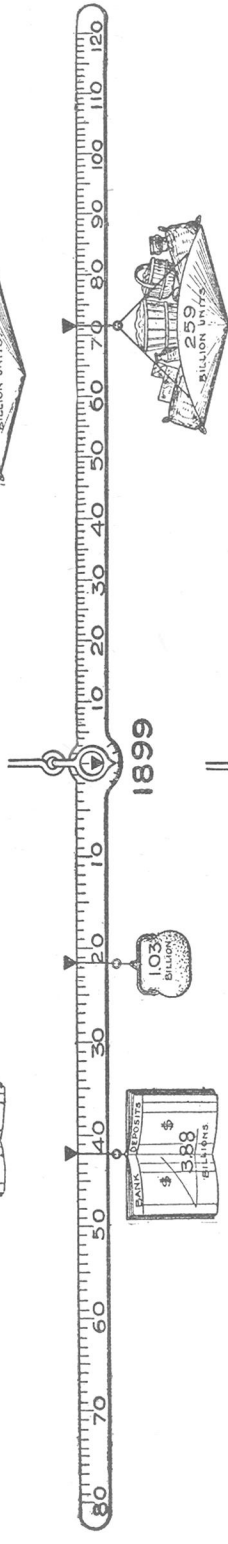
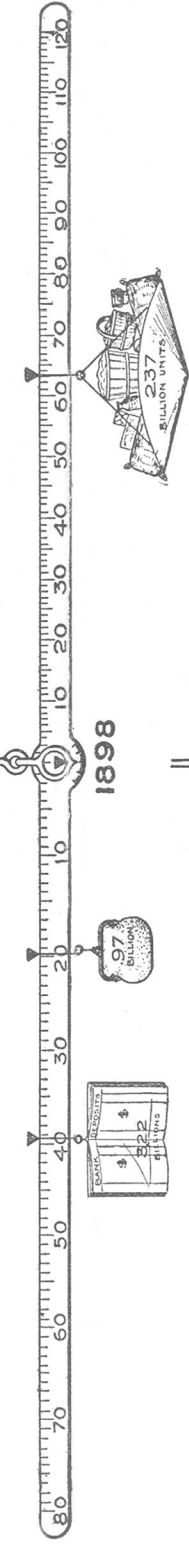
The leverage of this bank book represents V' , the velocity of circulation ("activity") of these deposits. The deposits are usually turned over from forty to fifty times a year.

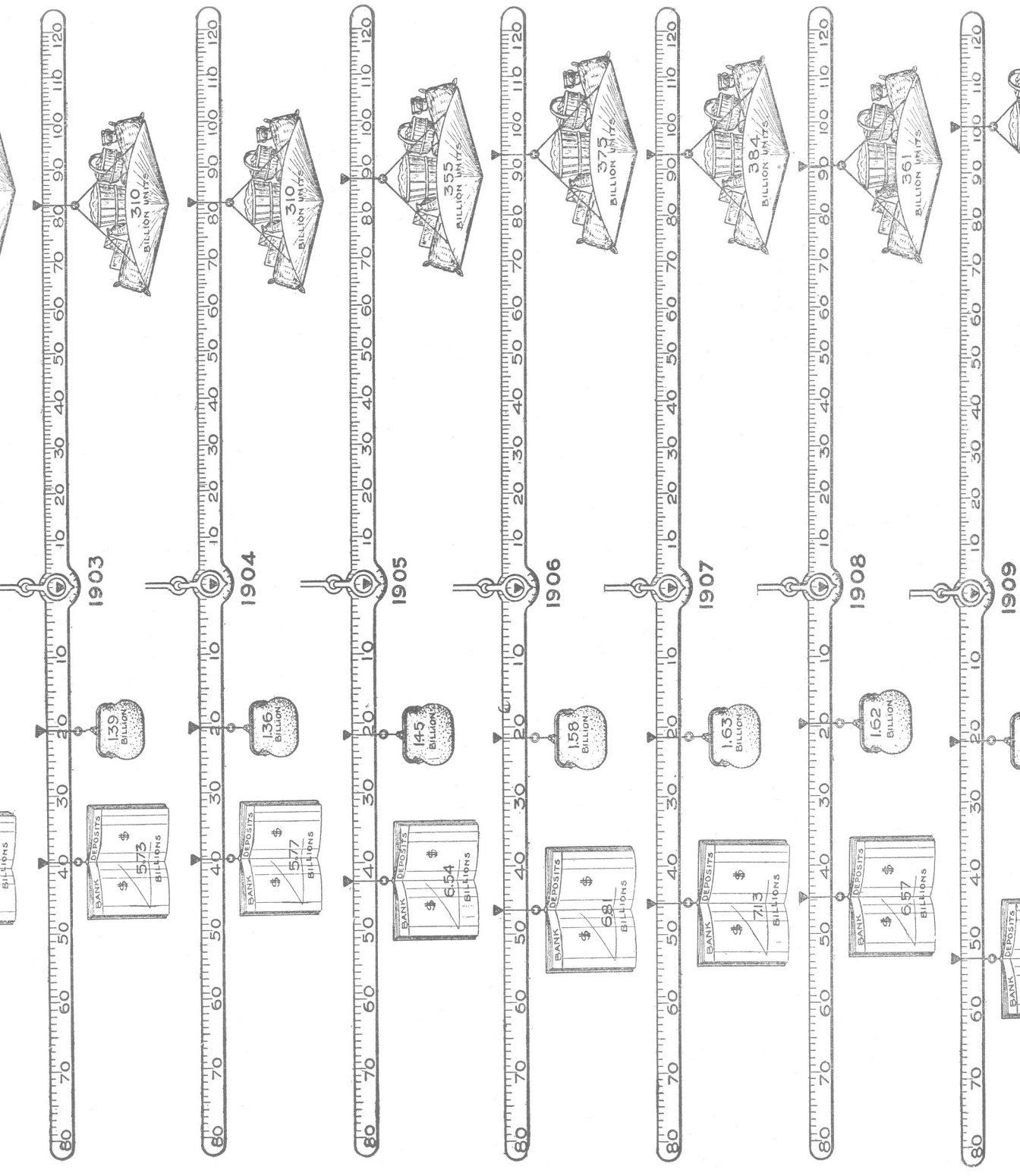


The weight symbolizing a grocer's tray, represents T , the volume of trade expressed in "units," each "unit" being the quantity which could be purchased for \$1 in 1909.

The leverage of this tray represents P , the index, number of prices measured as a percentage of the prices of 1909.

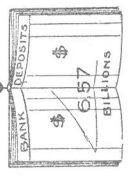




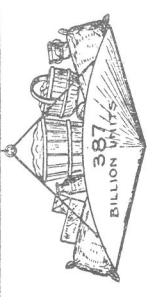
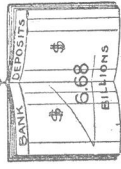




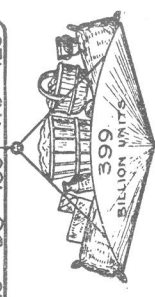
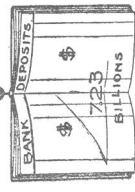
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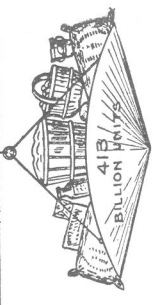
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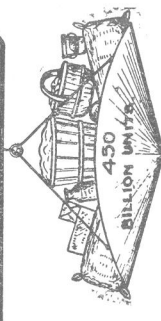
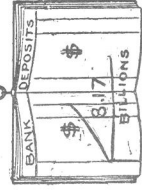
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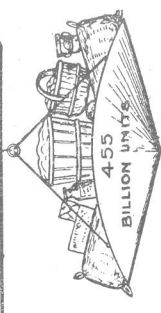
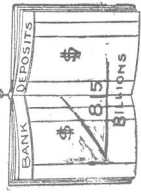
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begin aggressively to correct all abuses and exploitations of aliens whose residence in this country is, roughly, not more than seven or eight years. California has, as nearly as we can calculate, some 350,000 who would come under this designation. The exploitation of these people by taxicab men, baggage men, white-slave procurers, land sharks and confidence men is, as you know, a matter of daily occurrence. The stories that we have uncovered are just as typical and pitiful as anything found in New York. Among our ambitions are the licensing of immigrant lodging houses, and strict standardization of their sanitation; a censorship of real estate schemes advertised to attract foreigners; a strict regulation of the sanitary conditions of camps for seasonal workers; and an agitation to give immigrants educational opportunities which will, together with better wages and hygienic conditions of work, form an environment or atmosphere in which they can become citizens, if not of a so-called American type, at least of a desirable or healthy type.

At the request of the federal Commission on Industrial Relations, Professor Parker made an investigation of last summer's riot resulting in the death of four men, in the Wheatland hop fields. He estimates that from one third to one half of the 3,000 hop pickers were aliens. One group of 235 contained no less than 27 nationalities, and it is said that the I. W. W. agitators found seven interpreters necessary to convey their doctrines to this polyglot audience. The extremely insanitary conditions revealed by this Wheatland investigation have stimulated the Immigration Commission to an active coöperation with the State Board of Health for the enforcement of the Camp Sanitation law which went into effect in August, 1913. This law affixes penalties of fines or imprisonment for the failure to provide proper sleeping accommodations, or the permitting of sanitary conditions menacing to the public health, in camps designed for use by more than five persons. The State Board of Health, with whom rests the power of condemning such a camp, will undertake to establish the requisite standards of sanitation; it is starting with the minimum requirements of the United States army, and will add such additional regulations as experience proves desirable. During the harvesting and fruit-picking seasons, the commission will maintain five inspectors in the field, and, in coöperation with the board of health, will prosecute all violations of the law.

The 1913 session of the legislature passed a Workmen's Compensation, Insurance and Safety Act which places California in the front rank of states with compulsory compensation for industrial accidents. The large number of unfortunate wage-earners who will be benefited by this law may be judged from the California industrial accident records of 1913 which show 826 deaths and 36,462 injuries. Six months after the passage of the elective compensation law of 1911, a constitutional amendment authorizing a compulsory law was approved

by a majority of 82,312. As the excessive rates charged by the casualty companies had led many employers to submit to the increased liability risks rather than choose the insurance features of the 1911 law, the need of some form of state insurance was evident, hence the authorization of the state insurance fund in the law of 1913. The third feature of the new law aims to counteract the tendency to neglect accident prevention which is charged to systems of compulsory insurance.

The new commission, which organized for work on January 1, will profit by the experience gained during the past two years, as two of the members of the older commission, A. J. Pillsbury, its chairman, and Will J. French, continue their services. The third member is Harris Weinstock, who is serving also as a member of the federal Commission on Industrial Relations. Professor Ira B. Cross, of the economics faculty of Stanford University, continues to act as secretary. Each of the three commissioners assumes general direction of one of the departments authorized by the new law, Mr. Pillsbury is supervising accident compensation, Mr. Weinstock is responsible for the organization of the state insurance fund, and Mr. French is looking after the safety department.

The commission is sparing no effort to enlist the best available expert assistance for its new work. Two experienced safety engineers have been selected to train the careless California public to an appreciation of modern methods of accident prevention: John R. Brownell, who, since his graduation from the Massachusetts Institute of Technology in 1901, has been safety expert for the Pennsylvania Steel Co., will organize the general educational campaign, and advise the commission about the safety regulations which it is authorized to make; Commissioner French has made an arrangement whereby the commission will coöperate with the United States Bureau of Mines for the support of H. M. Wolflin, who is to undertake the instruction of the miners of the state, and to recommend safety requirements in this industry. Stereopticon lectures and a safety museum will be furnished for the enlightenment of the employers, and their interest in these educational opportunities will be stimulated by a system of merit rating which will adjust insurance premiums to the greater or less degree of risk found in the industrial establishments.

The difficult task of organizing the State Compensation Insurance Fund is making rapid progress under the expert management of C. W. Fellows, formerly superintendent of the Southern California Division of the Royal Indemnity Company. Premiums amounting to

considerably over a quarter of a million dollars have been paid in during the past three months. As there are no actuarial tables for the Pacific Coast industries, Mr. Fellows is making use of statistics collected by the Workmen's Compensation Service Bureau of New York, and adopting the same rates as the standard insurance companies. Average rates are being used for the first policies, but the commission expects to organize an inspection service and to lease the merit-rating system of Carl M. Hansen, so that future rates will be adjusted more accurately to the risks found to exist in individual establishments. The law permits the refusal of extra-hazardous risks, and at present such risks are being rejected or granted limited liability policies. As it is designed that the insurance fund shall be neither more nor less than self-supporting, a provision is inserted in the policies permitting the holders to share in any surplus that may remain at the time of the annual accounting of assets and liabilities, including in the latter reasonable reserves for meeting catastrophe risks. Undoubtedly these rebates will amount to substantial sums, as the state business is unsolicited and the expense ratio will be not over 15 per cent.

The third commission, which also began work on January 1, is the Minimum Wage Commission, or, to use the official designation, the Industrial Welfare Commission. This commission of five members has chosen for its chairman Judge Frank J. Murasky, who for many years has devoted himself to the San Francisco Juvenile Court. H. A. Scheel, its secretary and executive officer, has familiarized himself with California industrial conditions by his services as statistical expert for the State Labor Bureau. The tactful policy adopted makes it seem probable that the better class of employers will be brought into voluntary coöperation with the activities of the commission, stimulated to the maintenance of acceptable standards, and enlisted in the task of enforcing these standards in the establishments of the greedy and inefficient. The commissioners have held conferences with groups of employers in San Francisco, Sacramento, and Los Angeles, for the purpose of giving a clear understanding of the purposes of the new law, and of forestalling any opposition to the collection of accurate information. The Fruit Canners' Association has appointed a committee to assist in the preparation of a uniform pay schedule showing hours of work and amounts earned. This effort to obtain accurate information is the first step towards a wholesome standardization of conditions in this seasonal industry whose regulation always presents extreme difficulties. It is hoped that the friendly coöperation of the employers will make possible the gathering of a large body of exact

information about the conditions of work in department stores, laundries, confectionary establishments, canneries, and other places where women and minors are employed. The collectors of individual records make use of schedules from which the names and addresses of the informants may be detached for separate filing, and which are returned to the commission in sealed envelopes. It is estimated that in many establishments full records are obtained from as high as 90 per cent of the employees. The large amount of information acquired by this plan will guide the commission when it reaches the place where it is ready to decree the minimum, legally-enforceable wage. This final step can be taken either with the coöperation of a wage board, or by the sole authority of the commission. The hopeful outlook for the work of the Minimum Wage Commission, as well as the strictly enforced eight-hour law, are pleasing evidences of the disposition to deal generously with womankind that has been characteristic of California since forty-niner days.

University of California.

LUCILE EAVES.

WORKMEN'S COMPENSATION IN CALIFORNIA. Workmen's compensation in California dates from the enactment of the Roseberry law in 1911. There had been no widespread agitation for such a measure, and hitherto the state had been rather backward in legislating for the welfare of its workers. The legislature of 1911, however, was fairly progressive in its point of view, and a mere handful of people interested in the subject easily succeeded in obtaining the passage of the bill. Its advocates had obtained a copy of the third draft of what was later to be the Wisconsin Compensation Act, and secured its enactment in California before its adoption in Wisconsin. The latter, however, amended the third draft in several important particulars, and thus remedied several of the weak parts in the law enacted in California.

The Roseberry law was of two parts. The first two sections dealt with employers' liability, and in addition to modifying the doctrine of contributory negligence by changing it to one of comparative negligence, it abolished the common law doctrine of the assumption of risk and also that of the fellow-servant rule. It was made illegal for any employer by any contract, rule, or regulation, to obtain from his employee a waiver of liability, which would impair the employee's rights under the act. Employers were permitted to elect to come under the compensation part of the act, and their employees, if they desired to do so, were privileged only to reject the same by written notice. Election on the part of the employer was made by his filing

with the Industrial Accident Board a written statement to the effect that he accepted the compensation provisions of the law. Such election bound him without further act on his part for periods of one year, unless he filed a notice of withdrawal with the Industrial Accident Board at least sixty days prior to the expiration of the year term.

The framers of the act undoubtedly intended that it should be compulsory upon public corporations and their employees, but in a test case (*Miller v. Pillsbury et al.*) the state supreme court decided that the state and, consequently, other public corporations were not so subject.

For the administration of the act there was created an Industrial Accident Board of three members appointed by the governor. A review of the board's awards could be had by taking the matter into the superior courts of the state, but this could be done only within thirty days following the date of the award. The superior court, however, was only authorized to set aside an award of the board upon the grounds that it had acted without or in excess of its powers, that the award had been procured by fraud, or that the findings of fact by the board did not support the award. In only four cases has a review been requested; in three of which the case was withdrawn, while in the fourth the award of the board was upheld. An appeal to the supreme court of the state was also provided for. Claims for compensation were not assignable. Compensation was declared to be a preferred claim and was not to be taken for the debts of the party entitled thereto. No state insurance of any kind was established.

After the law went into effect the insurance companies raised their rates to almost impossible limits. The board estimated that the rate which should have been charged for compensation insurance in California should have been about \$1.22 on the \$100 pay-roll, while the average annual compensation rate as charged by the insurance companies was fixed at \$5.13. Many of the companies, indeed, bitterly opposed the principle of compensation. A few of the larger and more progressive business corporations immediately elected compensation; but, on the other hand, the small employers hesitated to do so because of the heavy costs of insurance. The number of elections, however, increased constantly until at the close of 1913, after two and a half years of operation, there were about 1,200 employers under the act, whose employees numbered approximately 100,000. That the act proved eminently satisfactory from the standpoint of the employer is shown by the fact that but three withdrew their election. Only one of the insurance companies in the state made a specialty of writing

compensation policies, and a large number of the elections recorded were due to the activities of its agents. No effort was made by the Industrial Accident Board to organize a competing mutual insurance company or to assist any established company in writing compensation insurance, as has been done in other states, especially in Wisconsin and Michigan. Throughout its existence the board pursued a conciliatory and surprisingly conservative policy in its treatment of insurance carriers. Added to the above was the fact that sufficient publicity was not given to the work of the Industrial Accident Board or to the subject of compensation, with the result that many employers remained ignorant regarding the existence of the act.

Under the Roseberry law, up to January 1, 1914, the board had 83 controversies brought before it for adjudication. The greater part of these related to the amount of compensation due or to the extent of the disability of the injured person. The only cases of wide interest were those in which the board decided that being caught in a blizzard and freezing to death was an industrial accident, that disability resulting from a slow burn as the consequence of contact with "green" concrete, which burn took place during the greater part of an afternoon, was an industrial accident, and that an employee suffering from hysterical paralysis, said paralysis having been caused by an industrial accident, was entitled to compensation.

Laws relating to the reporting of industrial accidents were enacted by the legislature at its special session in the spring of 1912. During that year the statistical department thus established obtained data relating to 9,627 accidents which disabled for more than one week, but not including those occurring in agriculture and domestic service. Of that number 8,681 were cases of temporary disability, 531 were of permanent disability, and 412 were fatalities. The estimated wage loss for those 9,627 accidents was fixed at \$14,537,240. Of the entire number of killed and injured, but 912 were under the protection of the compensation provisions of the Roseberry act.

During 1913, 24,177 industrial accidents were reported to the board, of which 12,106 caused disability lasting longer than one week or death. Of the latter number 10,659 were cases of temporary disability, 864 were of permanent disability, and 583 were fatalities. The estimated wages lost for the 12,106 accidents was fixed at \$18,255,616. Of the entire number of killed and injured only 1,844 received the benefits of compensation as provided by the Roseberry act.

On October 10, 1911, a large number of constitutional amendments were submitted to the people of California. Most stress was laid upon

that which referred to woman suffrage, but inasmuch as the state was experiencing a wave of progressivism, practically all were adopted by large majorities. Very little attention was devoted to that amendment which proposed to authorize the legislature to enact a compulsory compensation law. In spite of that fact, it received the overwhelming majority of 82,312. When the legislature convened in January, 1913, there was submitted to it a thoroughgoing and extremely comprehensive compulsory compensation measure. The bill was the result of a very careful study and investigation on the part of the Industrial Accident Board, its experts, and certain committees of public organizations. Of special value was the assistance and publicity rendered by the compensation committee of the Commonwealth Club of San Francisco. The legislature, by an almost unanimous vote, adopted the bill practically as drafted. There was some opposition on the part of the Employers' Federation of California, which, although objecting to the scale of compensation recommended, favored a compulsory compensation act. The insurance companies, however, bitterly opposed the bill primarily because it established a State Compensation Insurance Fund. The measure had the united support of the labor interests as well as that of the state Progressive administration.

That law, popularly known as the Boynton act, is of three distinct parts. The first concerns the matter of compensation, fixes the scale of benefits, outlines the methods of administration, and establishes an Industrial Accident Commission. The second part of the act provides for a State Compensation Insurance Fund to be administered by the Industrial Accident Commission, the fund to be neither more nor less than self-supporting. It is given a reserve fund of \$100,000, together with an appropriation of \$68,000 for its expenses, if required. The third part of the act deals with safety, and follows very closely the provisions of the Wisconsin law.

Compensation is made compulsory upon all employers, excepting those whose employees are engaged in employment which is both casual and not in the usual course of the business or occupation of the employer, and also excepting any employee engaged in farm, dairy, agricultural, viticultural or horticultural labor, in stock or poultry raising, or in household domestic service. The bill, as originally introduced, made compensation compulsory upon all employers, regardless of the character of the employment engaged in, but it was found necessary, because of the opposition of the farmer element, to exclude farm employees. For the employers of the exempted classes of employees, provision is made for their election, through the filing of a written

notice to that effect with the Industrial Accident Commission. During the first two months of the operation of the act, it having become effective January 1, 1914, about a thousand elections have been filed.

The most interesting, and, in a way, the most original part of the new compensation schedule is that which relates to the amount of compensation payable for permanent disability. The Industrial Accident Board felt that it was unjust to pay the same aggregate amount of compensation to the man who lost an arm or leg as to the man who suffered a total and permanent disability. The Roseberry act had made no distinction of that sort and had required that for partial or total permanent disability, the aggregate amount payable could not exceed three times the injured person's average annual earnings. The board, after a very comprehensive study of the situation, decided to ask the workingmen of the state, through their organizations, if they would agree to have the waiting period of one week extended to two weeks in the case of those temporarily disabled, in order that those permanently disabled might receive a greater amount of compensation for their more serious injuries. Assent was readily obtained, whereupon the board incorporated in the bill a section which declares that the percentage of permanent disability to total disability is first to be determined, after which the disability indemnity is to be computed and allowed upon the following schedule:

Disability	Pay 65 per cent of wages for	Then pay during life
<i>Per cent</i>	<i>Weeks</i>	<i>Per cent of wages</i>
10	40	
20	80	
30	120	
40	160	
50	200	
60	240	
70	240	10
80	240	20
90	240	30
100	240	40

Thus, by reducing the compensation paid for disabilities rated at less than 60 per cent, and by raising the waiting period from one week to two weeks, enough was saved to cover the cost of the life pensions.

The board, immediately upon the enactment of the bill, appointed a number of special investigators for the purpose of having them prepare a schedule for the rating of permanent disabilities, so that the employer,

without bringing the matter before the commission, might with ease rate the extent of the disability of those men who had been permanently injured while in his employ. After holding conferences with thousands of employers, with a score or more of employers' associations, and with more than 200 trade unions, and after carefully studying 1,400 different occupations and the general characteristics of various industries of the state, a detailed and comprehensive rating schedule was prepared and placed in the hands of the employers. This, without doubt, is the greatest contribution that has been made by the state of California to the subject of workmen's compensation.

Section 30 of the act introduces a new policy in connection with compensation acts, by holding the principal, any general contractor, and each intermediate contractor liable to pay to any injured employee or to his dependents any compensation which the immediate employer is liable to pay. The law also requires that no settlement can be made with an employee or his dependents for less than the full amount as required by the act.

Insurance against industrial accidents is not compulsory. The employer may insure in a mutual company, in a private stock company, in an inter-insurance company or in the State Compensation Insurance Fund, or, if he desires to do so, he may carry his own insurance. The Industrial Accident Commission is not authorized to approve or disapprove the insurance policy carried by any employer. Suits for damages against employers covered by the act are not permitted, except in those cases where it can be shown that the injury resulted from the employer's gross negligence or wilful misconduct, and to further prevent the same, the employers, excepting those who are hiring employees of the exempted classes, are prohibited from insuring against liability for damages recoverable at law.

The State Compensation Insurance Fund administered by the Industrial Accident Commission, has proven most successful. At first it was intended that the fund fix its own rates, regardless of those charged by other insurance companies. After its actuary had compiled a manual of rates, based upon the Massachusetts schedule, it was discovered that they were but about 7 per cent lower than those fixed by the Workmen's Compensation Service Bureau of New York City. After considerable discussion and deliberation, it was finally decided to accept the latter's schedule and to charge the same rates as those of the private stock companies in California.

During the first seven weeks of administration, the State Compensation Insurance Fund collected actual premiums on compensation

policies amounting to \$230,000, making the state responsible for policies on pay-rolls estimated at more than \$30,000,000. At the present time an average of from two to five thousand dollars in premiums is being taken in daily. It is publicly acknowledged that the state fund is writing more new business than any other insurance carrier in the state. It is pursuing a very conservative policy, and has refused to accept certain mining and other risks which were not considered desirable. Thus far it has not used any soliciting agents, but, in spite of that fact, has found it impossible to keep up with the business which has come into its offices without personal solicitation. A branch department of the fund has been established in Los Angeles.

The latter part of the law gives the commission the power to issue safety orders and to enforce the same. Safety museums are to be established, lectures are to be delivered, and other methods of spreading the propaganda of "safety first" are authorized by the act.

Thus far there have been no difficulties of administration and but comparatively few cases (21) have been brought before the commission for adjudication. The latter has carried on a much wider campaign of publicity than was possible under the Roseberry act; and from all possible sources, with the exception of certain reactionary influences and a few of the insurance companies, it has received the heartiest coöperation of the employers, the employees, and the public. Up to date (March, 1914), no attempt has been made to test the constitutionality of the act although it is daily expected that such will be done.

Stanford University.

IRA B. CROSS.

REPORT OF CASES UNDER THE MASSACHUSETTS WORKMEN'S COMPENSATION ACT. The Industrial Accident Board of Massachusetts has published a volume which is not the regular report of the board, but a special report covering cases determined by committees of arbitration, by the board as a whole, and by the supreme court of the commonwealth, during the first year of the board's existence, July 1, 1912, to June 30, 1913 (*Report of Cases under the Massachusetts Workmen's Compensation Act*, Boston, 1913, pp. xxv, 582). No other state commission or board, so far as I am aware, has undertaken to report its cases in this thoroughgoing way. The Massachusetts board has, therefore, performed a very useful service for all those who are interested in the promotion of legislation or the administration of compensation acts, by thus setting forth so fully its experience in a new and difficult field.

The board handled nearly 350 cases in which arbitration commit-

tees were asked for by one party or the other during the year. A considerable number were settled through the mediation of a member of the board without the formality or expense of arbitration proceedings, but many had to go to an arbitration committee, a smaller number were appealed to the full board for review and determination, and a considerable number were carried up to the supreme court for final decision. Many of the cases appealed to the supreme court are still pending, but the court has rendered a number of important decisions which have settled doubtful points in the interpretation of the act. One of the most important of these decisions has been handed down since this report was published and sustains the board in its contention that the act covers industrial diseases as well as accidents. In addition to the cases and decisions, the book contains the text of the Compensation Act and supplementary legislation, rules and forms adopted by the board, an index to the act, and a subject index to the cases and decisions.

It is evident that the board construes the law and its own functions in a liberal way and that it has been sustained in its humane administration of the act by the supreme court.

CARROLL W. DOTEN.

CALIFORNIA ACCIDENT STATISTICS. The *Statistical Bulletin* for the year 1913 issued by the Industrial Accident Commission of California presents some amazing figures regarding the killing and maiming of the industrial workers of the state. In all, there were 24,177 accidents reported to the commission, 12,106 of which resulted in death or disabled the worker for a period of one week or more. The distribution was as follows: Temporary disability, 10,659; permanent disability, 864; death, 583; showing that out of every thousand workers injured 881 were temporarily disabled, 71 were permanently crippled and 40 were killed. The average age of the injured was 34.09 years; the average weekly wage was \$18.60; 47.3 per cent of the injured workers were married; 32.1 per cent were foreign born. It was estimated that a total wage loss for those temporarily incapacitated was \$662,363; for those permanently injured, \$4,755,890; and for those killed, \$12,837,422; total wage loss, \$18,255,616. The average wage loss in case of temporary disability was \$66.93; in case of permanent injury, \$6,392; and in case of death, \$25,370. The total amount of indemnity paid for 10,721 accidents, in connection with which complete data were obtained, was \$613,862.

IRA B. CROSS.

In the March issue, 1914 (p. 214), reference is made to a report on the copper strike in Michigan. An official investigation has also been made under the direction of the federal Commissioner of Labor Statistics. This was first printed as Sen. Doc. No. 381, 63 Cong., 2 Sess., and has been reproduced as Bulletin No. 139 of the Bureau of Labor Statistics (Washington, Feb. 7, 1914, pp. 183). This contains an appendix on the organization and properties of the Calumet and Hecla Mining Company and subsidiary companies.

In this connection is to be noted *Industrial Disputes in Colorado and Michigan. Hearings before the Committee on Rules*, House of Representatives (63 Cong., 2 Sess., Dec. 10 and 17, 1913, pp. 59).

During the past year the National Civic Federation, in coöperation with the American Federation of Labor, appointed a commission to study the operation of state workmen's compensation laws. This investigation has been finished and the report printed as a federal public document (Sen. Doc. No. 419, 63 Cong., 2 Sess., pp. 255). It contains a helpful topical analysis, with extended appendices, presenting a digest of state statutes in force January 1, 1914. Rules and forms used by various boards are also appended.

A valuable document bearing upon the question of a minimum wage for women has been prepared by Louis D. Brandeis and Josephine Goldmark in a brief submitted by the respondents in a case brought before the supreme court of Oregon against the Industrial Welfare Commission of that state. This document contains a discussion of the evils of low wages, benefits of an adequate wage, and benefits of the legal minimum wage. For this purpose excerpts have been made from many books and reports (New York, National Consumers' League, pp. 207).

The decision of the Oregon supreme court in favor of the Industrial Welfare Commission in fixing the hours of labor of women, which was rendered March 17, 1914, may be obtained from the Oregon commission (Salem).

The Legislative Reference Department of the Michigan State Library has published as Bulletin No. 5, the *Laws of the Various States Relating to Minimum Wage for Women and Minors* (Lansing, 1913, pp. 37).

The subject of the minimum wage is further treated in pamphlets published by the National Anti-Sweating League of England (34 Mecklenburgh Sq., London, W. C.) as follows: *Sweated Workers and Trade Boards, Conference at Sunderland House held November 18,*

1913 (pp. 11); *Extending the Trade Boards Act*, by J. J. Mallon (pp. 10); and *Seventh Annual Report* (pp. 39).

The Proceedings of the Twenty-Seventh Annual Convention of the International Association of Factory Inspectors and the *Twenty-Ninth Annual Convention of the International Association of Labor Commissioners* held in Chicago in May, 1913, have been printed in a joint pamphlet. (W. L. Mitchell, secretary, Nashville, Tenn., 1913, pp. 219.) The pamphlet includes two or three papers on practical questions relating to factory inspection.

In the Massachusetts *Report of the Special Committee Appointed to Investigate the Conditions under which Women and Children Labor in the Various Industries and Occupations*, submitted January, 1914, especial attention is given to the working of the new law restricting the labor of minors between fourteen and sixteen years of age. Efforts were made to secure detailed reports as to the number of minors discharged and as to how far general business can be adjusted to the new law (Boston, 1914, House Doc. No. 2126, pp. 194).

In the March issue, page 212, reference was made to the publication of two volumes of the *Second Report of the Factory Investigating Commission* of New York. Two additional volumes have appeared (pp. 1127-2437; xxiv, 1126), containing testimony and proceedings.

In the Illinois *Factory Inspection Bulletin* for April there is a review of factory inspection and legislation in that state from the act of 1877 to the present time (pp. 3-17). This issue also contains an argument for the inclusion of occupational diseases within the operation of the act, and there is a technical article on electrica ophthalmia.

In the document, *In the Arbitration Proceedings between the Employes of the Indianapolis Traction and Terminal Company, by and through their Committee, and Indianapolis Traction and Terminal Company before the Public Service Commission of Indiana acting as a Voluntary Board of Arbitration*, is an extended argument by the attorney of the company; a list of grievances of the employees, with pleadings of the company; and exhibits of the hours of time and wages of employees (pp. 141-243). The volume furnishes valuable material in regard to actual earnings as distinguished from wage rates.

Reports of Cases under the Workmen's Compensation Act determined by Committees of Arbitration, the Industrial Accident Board and the Supreme Judicial Court for Massachusetts, 1912-1913 (Boston, pp. xxv, 582), contains a brief introduction, analyzing the different kinds

of cases brought before the board, followed by transcripts of decisions. There is a helpful subject index to these cases.


In the *Report of the Director of the Bureau of Mines, 1913*, it is noted that 2,785 men were killed in the coal mines of the United States during 1913. This was an increase of 425 deaths over 1912, and gives a fatality rate of 3.82 per thousand. "It is unfortunate that the safety inquiries and investigations by the national government, upon which so much depends, have lagged so far behind the needs of the industry and public demands" (Washington, pp. 118).

The Industrial Welfare Commission of Oregon, under date of December 3, 1913, established a minimum wage for experienced adult women engaged in office work in the city of Portland, for not more than 51 hours in any week, nor at a wage rate of less than \$40 a month. The following classes of workers are included under this ruling: stenographers, bookkeepers, typists, billing clerks, filing clerks, cashiers, checkers, invoicers, comptometer operators, auditors, and those doing any kind of clerical work. Under date of March 9 an order was issued that experienced adult women in any industry in Oregon paid by time rate should not receive less than \$8.25 a week, "any lesser amount being hereby declared inadequate to supply the necessary cost of living to such women workers and to maintain them in health." Inexperienced adult women should be paid not less than \$6 a week. "The maximum length of time such workers may be considered inexperienced in any industry shall not exceed one year."

In the March number, 1913 (vol. III, p. 190), there was an extended note on "State Industrial Insurance in Washington," based upon the first annual report of the Industrial Insurance Department. The second report for 1913 has now appeared (Olympia, pp. 133).

Reference has been made in previous issues of the REVIEW (Dec., 1912, p. 965, March, 1913, p. 208, and September, 1913, p. 721) to bulletins of the Industrial Commission of Wisconsin. Additional bulletins not hitherto noted are, *Eye Injuries and their Prevention* (March 20, 1913); *Metal Burns and their Prevention* (April 20, 1913); *Infections and their Prevention* (Oct. 20, 1913); and *Accidents Caused by Objects Striking Workmen* (Nov. 20, 1913).


The Employers' Liability Assurance Corporation of London has published a brief pamphlet containing an analysis in the form of question and answer on the *New York State Workmen's Compensation Law* (56 Maiden Lane, New York, pp. 15).

The weight  symbolizing a purse, represents M , the money in circulation in the United States (i. e. all money outside of the U. S. Treasury and the banks). It is usually between one and two billions.

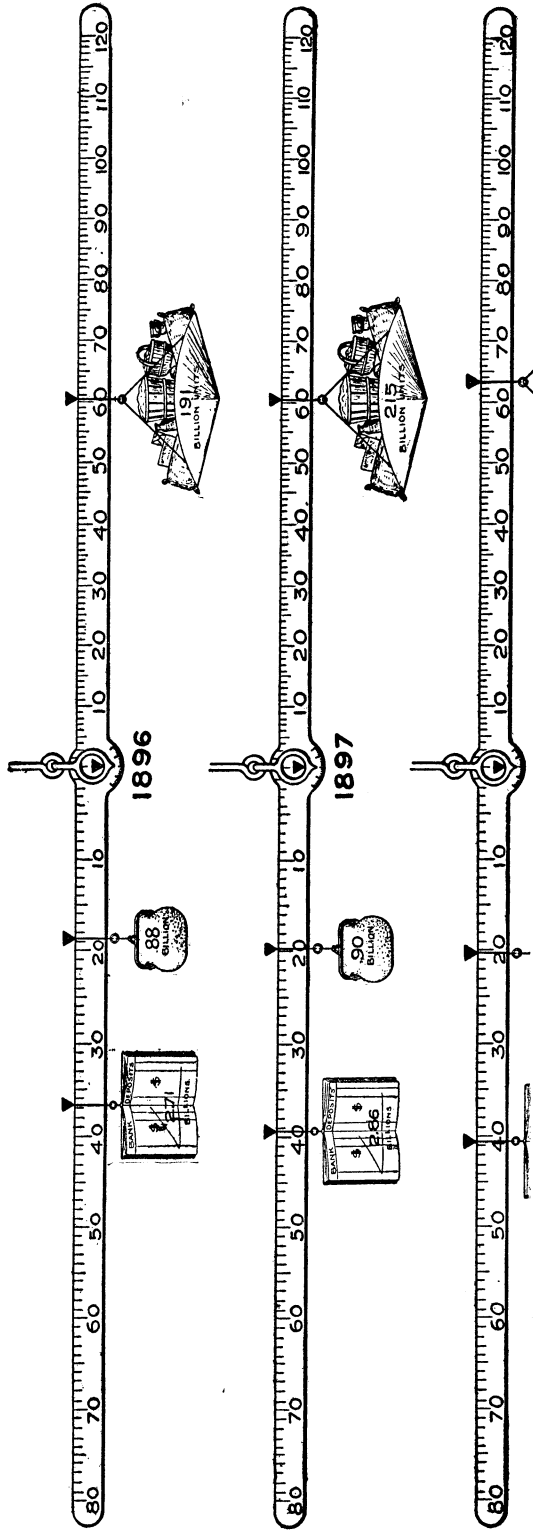
The leverage of this purse, or its distance from the fulcrum, represents V , the velocity of circulation of money. Money usually turns over about twenty times a year.

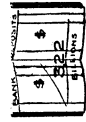
The weight  symbolizing a bank book, represents M' , the bank deposits against which checks are drawn (usually from three to eight billions).

The leverage of this bank book represents V' , the velocity of circulation ("activity") of these deposits. The deposits are usually turned over from forty to fifty times a year.

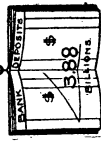
The weight  symbolizing a grocer's tray, represents T , the volume of trade expressed in "units," each "unit" being the quantity which could be purchased for \$1 in 1909.

The leverage of this tray represents P , the index number of prices measured as a percentage of the prices of 1909.

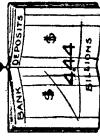
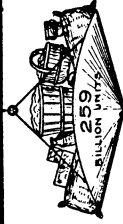




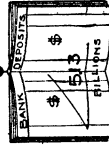
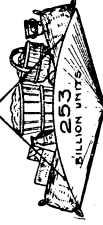
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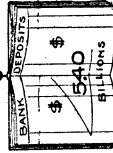
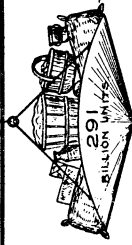
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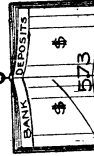
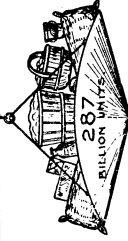
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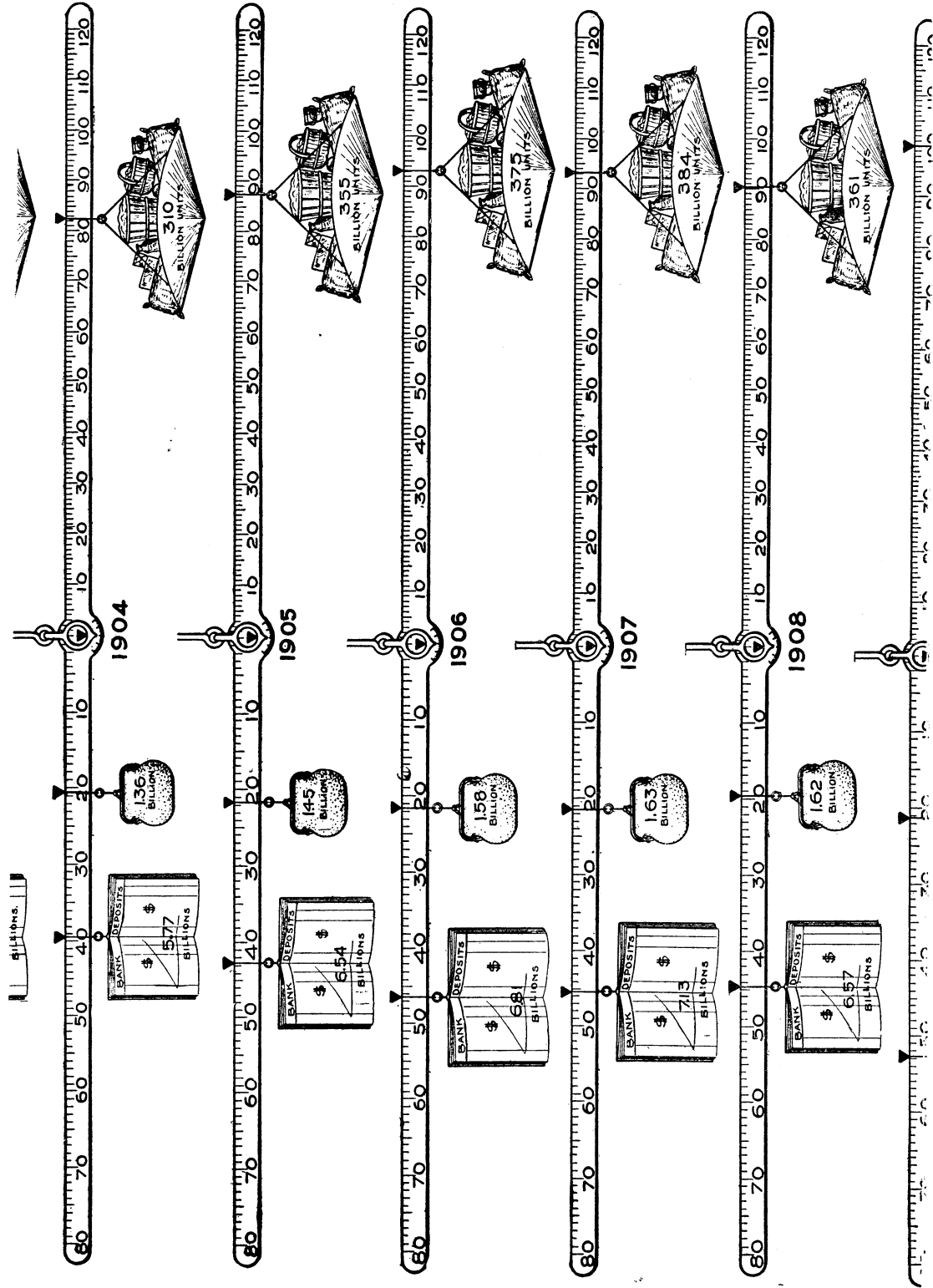
1902

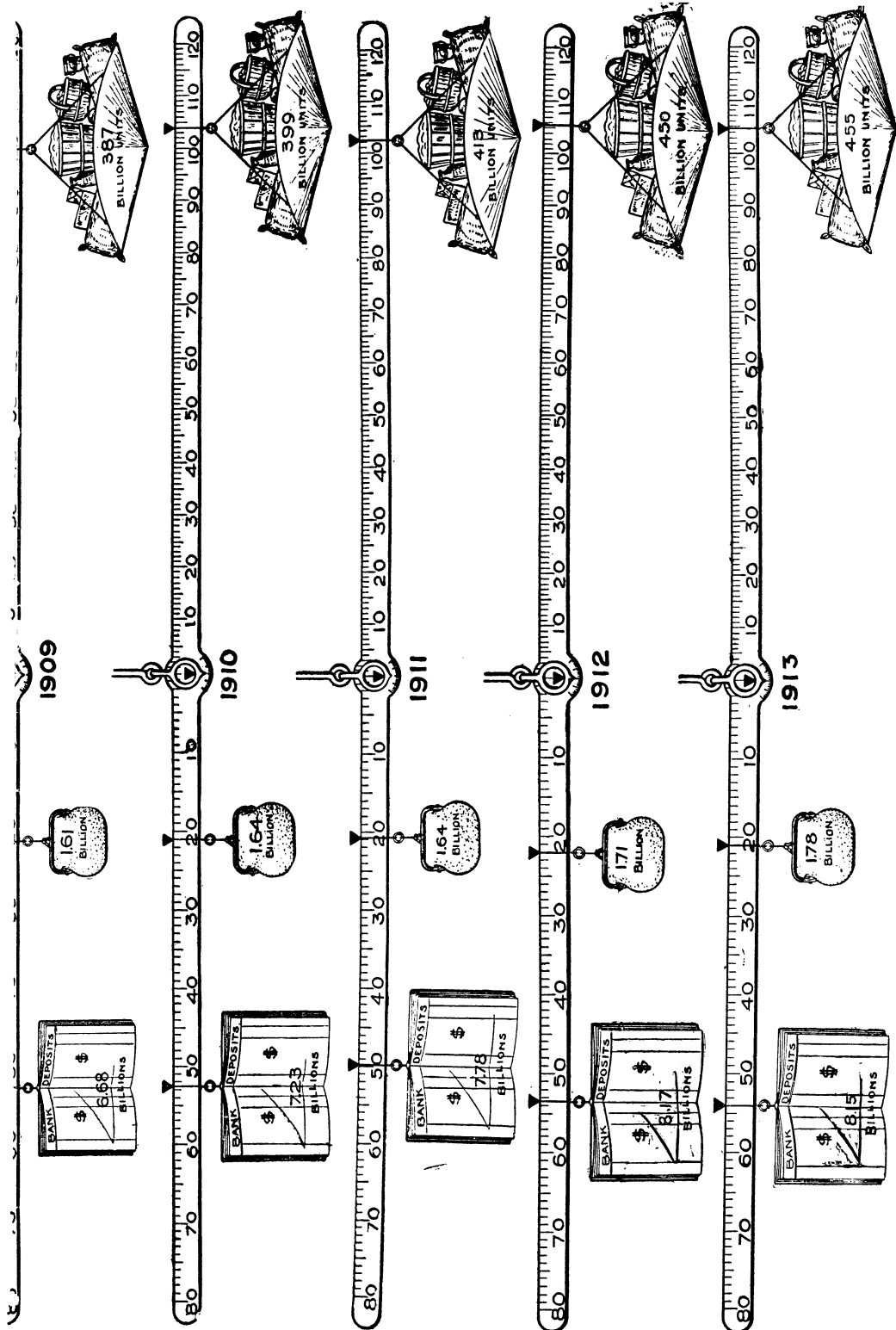


1903



billions.





Money, Prices, Credit, and Banking

THE EQUATION OF EXCHANGE FOR 1913, AND FORECAST. The following table is the completed calculation of the equation of exchange for 1913 together with the corresponding figures for 1912:

Circ. of money (37)		+	Circ. of checks (440)		=	Value of goods bought (477)	
Money	\times its velocity	+	Deposits	\times their veloc.	=	Scale of prices	\times trade
<i>i.e.</i> M	$\times V$	+	M'	$\times V'$	=	P	$\times T$
<i>i.e.</i> 1.78	$\times 21$	+	8.15	$\times 54$	=	104.8	$\times 455$
('12) 1.71	$\times 22$	+	8.17	$\times 53.4$	=	105.3	$\times 450$

The above figures show only slight changes relatively to 1912. In other words, in 1913 there was a cessation of the expansion previously going on. In fact, if we should take separately the figures for the latter part of 1913, we should observe a considerable contraction.¹

As remarked in the March number, we seem now to be in a business depression following the mild crisis² of 1913. The outlook for the present year seems to be a gradual recovery forming a new period of expansion and complicated by a tendency toward a so-called "unfavorable" balance of trade, due both to the lowered tariff, which will

¹The completed figures here given differ somewhat from those given in March, owing chiefly to the fact that the data then used for the bank clearings on which the figures for circulation of checks were based, were quite different from the figures now available. The result is to raise the estimate of the velocity of circulation of deposits from 50 times a year to 54 times a year which agrees closely with the preliminary results of the calculation made by the Committee on Clearing Houses of the American Bankers Association according to a new and perhaps more accurate method. The present calculation also contains internal evidence of substantial correctness in the fact that the left and right sides of the equation of exchange (before any mutual adjustment of the estimates of the six magnitudes as independently calculated) agreed within less than 1 per cent (being respectively 479 and 474 billions). The figures as given in the table above are mutually adjusted, the only appreciable correction being in the figure for the volume of trade. This was raised from 452 billion to 455 billion units (each unit being the dollar's worth at 1909 prices). Except in the cases of P and V the method of calculation is the same as that employed in the March article of this year. In the cases of P and V the method is the same as that employed in June, 1913. My thanks are due to Royal Meeker, Commissioner of Labor Statistics, and to Professor Wesley Clair Mitchell for advance information as to their index numbers for the prices of commodities and stocks respectively.

²The ear-marks of the crisis of 1913 consist in, (1) the culmination at the beginning of the year of an upward wave of prices, (2) low bank reserves, (3) the highest rates of interest since 1907, (4) a very tight money market, (5) the greatest number of bankruptcies since 1907, (6) the subsequent depression of trade, from which the country is still suffering.

encourage imports, and to the new currency act. So far as the price level is concerned, the lowered tariff with the possible or probable export of gold would tend to lower the price level, while the currency act, through inflation of credit, would tend to raise it. The net result should be a price level not differing greatly from that of 1913.

The folding diagram affords comparison with previous years back to 1896.

IRVING FISHER.

In the March number, 1914 (p. 219), reference was made to certain recent reports on the subject of agricultural credit. Further documents to be noted are *Agricultural Credit, Land-Mortgage or Long-Term Credit, Report of the United States Commission, Parts I and II, with Legislation Suggested* (Sen. Doc. No. 380, Parts I and II, 63 Cong., 2 Sess., 1914, pp. 73).

The hearings before the subcommittees of the House Committee on Banking and Currency on rural credits have been held throughout the winter. Up to March 18, 23 parts of such hearings have been published (paged separately).

On February 10, 1914, Governor Glynn of New York transmitted to the legislature a special message on the subject of agricultural credit.

The *Bank Depositors' Guaranty Law of Kansas* has been printed as a congressional document (Sen. Doc. No. 238, 63 Cong., 1 Sess., pp. 16).

The *Proceedings of the Second Annual Convention of the Investment Bankers Association of America*, held in October, 1913, have appeared (Frederick R. Fenton, secretary, 111 W. Monroe St., Chicago, pp. 314). This contains an article on "Municipal Financing," by Edmund D. Fisher, deputy comptroller of the City of New York (pp. 57-75); "Investment vs. Commercial Banking," by Professor Scott; "Electrical Securities," by Samuel Insull (pp. 115-150), elaborately illustrated with charts and photographs; "The Financing and Development of Hydro-Electric Power," by Delas A. Chappell (pp. 153-163); and the annual report on "blue sky" legislation (pp. 164-174).

The following reports of bankers associations have been received: *Proceedings of the Thirty-Ninth Annual Convention of American Bankers Association, Boston, August 7-10* (New York, 1913, pp. 824); *Proceedings of the Twelfth Annual Convention of the Colorado Bankers' Association* (pp. 163); *Proceedings of Twenty-Third Annual Convention of the Illinois Bankers' Association* (pp. 392). This contains

articles on "The practical application of the law of negotiable instruments in Illinois," by J. I. Ennis, and "Bank accounting systems," by T. E. Burkholder; *Proceedings of the Tenth Annual Session of the Arizona Bankers' Association* (pp. 83); *Proceedings of the Twenty-Third Annual Convention of the Ohio Bankers' Association* (pp. 253). This contains an article on "One cent letter postage," by Charles W. Burrows, and "Reserve provisions of the Owen-Glass bill," by H. P. Willis; *Proceedings of the Fifth Annual Convention of the Utah Bankers' Association* (pp. 111).

The addresses which were delivered at the annual banquet of the bankers of New York City, by Dr. J. Riesser of Berlin, M. Robert Masson of Paris, and Mr. James H. Simpson of Liverpool have been printed in a separate pamphlet (William J. Henry, secretary of the New York State Bankers' Association, 11 Pine St., New York City). These addresses discuss the banking systems of Germany, France, and England.

The auditor of the state of Indiana has published the *Bank Laws of State of Indiana, Mortgage Guaranty Company Law, Public Depositary Law, Forms, etc.* for 1913 (Indianapolis, pp. 169).

There has recently appeared *Proceedings of the Twenty-Fifth Annual Meeting of the Ohio Building Association League* (Charles H. Brown, secretary, 46 East Gay St., Columbus, Ohio, pp. 179), containing articles on "Financing Farm Enterprises," by Professor H. C. Price; "Farm Loans by Building Associations," by K. V. Haymaker; "State Guaranty of Building Association Investments," by E. R. Hiett; and "The New Mechanics' Lien Law," by F. M. Compton. *Proceedings of the Twenty-Third and Twenty-Fourth Annual Meetings of the Building Association League of Illinois* has also appeared (B. G. Vasen, secretary, Quincy, pp. 197).

Public Finance, Taxation, and Tariff

TAXATION OF WOODLAND IN CONNECTICUT. The *Report of the Special Commission on Taxation of Woodland* (Hartford, 1912, pp. 54) presents, everywhere briefly, a summary of the investigation conducted by the commission, an outline of the system of taxation recommended by a commission, a general discussion of forest taxation, a summary of state legislation, a description of the taxation of forests in Europe, a survey with appropriate maps of forest areas in selected towns of Connecticut, and certain miscellaneous statistical and legislative material relating to the present condition of forest taxation in

Connecticut. The report is admirably clear, concrete, and practical, though one could wish that the investigation of existing conditions had been conducted a little more thoroughly. The whole report bears traces of the guiding hand of Professor F. R. Fairchild of Yale University.

How fairly and efficiently to tax woodlands is an intricate question, particularly when one tries to eliminate lands suited for agricultural or other than forestry uses, to combine a land and yield tax, equate them with the burden of taxation upon other property, balk the speculator, prevent the scheme from being abused, and see that the state receives a proper equivalent for the relief extended, without unduly interfering with either local government, the forest owner, or the regular receipt of town revenue. All this the plan proposed by the commission, as the reviewer sees it, does most admirably and ingeniously; and he has space to do little more than express a regret that the reasons for some of the apparently roundabout provisions of the plan could not have been explained with the same lucidity which marks the description of the plan itself. It would have been worth while also to point out that the average town assessor, unauthorized and uncontrolled, extends the benefits of some such plan illicitly to owners of woodland. He does it against the law, against his oath of office—I assume there is an oath of office in Connecticut—and the illegality of the bounty which he confers robs it of half the public good which it might be made to do.

All of which leads to the one serious question which the reviewer entertains concerning the plan proposed: Does it offer sufficient inducement to the owner of woodland to accept its conditions? "Merchantable timber land," the report says, "in most cases is not over-taxed." Will not many of the owners of woodland prefer the illicit but oftentimes generous bounty of the tax assessor to the temperate relief offered by the commission's plan of classification? For it must be remembered that in this plan the interests of the state have been zealously safeguarded. In the case of forests of more than ten year's growth it provides that the town assessor shall value both lands and trees at the actual current value and that upon such full value a tax rate not to exceed one per cent shall be levied for fifty years, in addition to which the owner must pay a yield tax when the timber is cut. What inducement does such a plan offer to the owner, who can perhaps get more in an informal way from the town assessor himself than under the commission's plan? If the assessor, acting under the commission's plan, can be trusted to appraise the full value of land and timber, which valuations are to stand for fifty years, ought he not

be forced by appropriate state agency to tax all forests at full value whether they come under the plan or not?

Legislation along the line suggested by the commission was adopted by the legislature of Connecticut in the session of 1913. It would be interesting to know how large a proportion of the owners of woodland in Connecticut have accepted the opportunity offered.

T. S. ADAMS.

Various committees of the City Club of Milwaukee have coöperated in making a thorough and impartial investigation of the causes of an increase in the tax rate, amounting to \$9 per capita from 1904 to 1914. The results of the study are published in a bulletin (*Increased Taxes in Milwaukee, 1904-1914. Their Causes and their Significance*, 1914, pp. 25). Sixty-two per cent of the increase is traced to cost of city government and 29 per cent to the county, while only 9 per cent was applied to state purposes. An analysis of city expenditures by departments shows that 37.9 per cent of the increase went to the schools, 30.9 per cent to public works, 13.7 per cent to police and fire protection, the balance being distributed among parks, health, library and museum, and miscellaneous objects. Classifying the ten years increase by causes, it was found that 26.7 per cent is due to growth of population; 19.3 per cent is attributable to the cost of new services; while 54 per cent is assigned to increases in amount and quality of old services, to raises in wages, etc. Altogether it would seem to an outside observer that the report cannot fail to throw some light on a matter which has occasioned no little political controversy in Milwaukee. Indeed, almost any city could profit by having its expenditures for the last ten years scrutinized in the same way.

C. C. W.

The Bureau of the Census has published in abridged form *Financial Statistics of Cities Having a Population of Over 30,000: 1912* (Washington, Bulletin 118, 1914, pp. 83). This will be followed later by the eleventh annual report on this subject.

The Bureau of Corporations has promptly issued a *Special Report on Taxation Supplementing Previous Reports on the Taxation of Corporations and Covering the Tax Movement throughout the United States during 1912* (Washington, 1914, xxxi, 440). Several chapters are devoted to changes in the taxation of corporations since the publication of parts 1-4 of the bureau; to judicial decisions in 1912, including those of the Supreme and lower courts of the United States, and of state courts. These decisions are arranged by topics.

The *Report of the Special Tax Commission of Kentucky, 1912-14* (Frankfort, pp. 350) represents in large part the work of Professor Plehn, of the University of California, who was called in as tax expert. A preliminary report of this commission was made in 1913. This represents the full and final report.

The *Report of the Commission for the Revision of the Taxation System of the State of Maryland and City of Baltimore* (Baltimore, 1913, pp. 445) is largely devoted to the methods of assessment and collection of taxes. Abundant illustration is here given to show the lack of uniformity in the assessment in different counties. One chapter is devoted to the finances of Maryland, and another to sinking funds.

In the *Special Reports of the State Tax Commission of Arizona on Mining Taxation* (Phoenix, 1913, pp. 19), arguments are given for and against the adoption of the Michigan system of taxing mining property.

The Bureau of Municipal Research of Milwaukee has submitted a report on *Standardization of Salaries of the City of Milwaukee* (Nov. 4, 1913, pp. 96, charts). It is shown that there is no uniformity or standard in the fixing of salaries in the different departments. A new scale is proposed.

An interesting report has been prepared for the president of the Borough of Manhattan on *Municipal and Government Ice Plants in the United States and Other Countries*, by Jeanie Wells Wentworth (New York, Dec. 15, 1913, pp. 77). Information was collected by a questionnaire. Only one municipal ice plant was found in actual operation in the United States, namely, in Weatherford, Oklahoma. Several municipalities in England and Germany, and a large number in northern Italy own ice plants which have proved profitable. It is noted that there are a dozen or more states that already have home rule, which would enable them to own and operate municipal ice plants if so voted.

The *Twenty-Third Annual Report of the New York Tax Reform Association, 1913*, gives a general review of legislation throughout the country. A special paragraph is given to new sources of city revenue (29 Broadway, New York, pp. 7).

The Wisconsin Tax Commission has published a second edition of the *Wisconsin Income Tax Law*, with explanatory notes (Madison, December, 1913, pp. 71).

The State Tax Commission of Oregon has also made a reprint of

Laws Relating to Assessment and Taxation, 1913 (Salem, 1913, pp. 111).

Several compilations have recently been made of bonds which are exempt from federal income tax:

Index of Bonds Indicating Those Containing "Tax Free Clause," published by the Guaranty Trust Company of New York (140 Broadway, Jan., 1914, pp. 64). The preface states that this volume is compiled from statements of trustees and actual examination of over 3,000 mortgages including the more important issues of railroad, public utility, and industrial companies.

A List of Railroad Bonds and Clauses relating to Deduction and Retention of Federal or State Taxes, compiled by White and Kemble (56 Pine St., New York, pp. 185). This is based upon the examination of over 600 railroad mortgages. As there is so great a difference in the phraseology of legal instruments, there being over 700 different clauses, the compilers have added to the list of bonds extracts from the body of the bond.

The *Commercial and Financial Chronicle* has published a series of articles beginning with November 22, 1913, under the general title of "Bonds Which Are and Bonds Which Are Not Tax Exempt." Up to March 28, inclusive, 18 of these articles had been published.

Demography

The Bureau of the Census has issued the *Thirteenth Annual Report on Mortality Statistics, 1912* (Washington, 1913, pp. 382), with unusual promptness. No new states were added to the registration district in 1912. In order to secure early publication this volume omits the computation of rates, which will be given with the report for 1913.

In 1911 the legislature of New Jersey authorized the appointment of a commission to investigate into the conditions of distribution and industrial opportunities of immigrants in that state. The report has now been published (Trenton, 1914, pp. 201). The commission studied the industries in which there are a large number of immigrants. In the appendices are tables showing the total number of employees in 500 establishments, classified by nativity, sex, and selected group of industries.

Bulletin XVIII of the Fifth Census of Canada treats of *Ages of the People* (pp. 34).

The Immigration Restriction League has published *Immigration Figures for 1913* (Bulletin No. 62, pp. 4).

Social Problems

BENEVOLENT INSTITUTIONS, 1910. In a series of reports on institutions for the relief and care of the dependent and delinquent classes, the Bureau of the Census has issued *Benevolent Institutions, 1910* (Washington, 1913, pp. 411). The volume might well be called a directory, for it gives statistical data, information as to location, purpose, class of inmates, and financial status of institutions. These are classified under six heads: (1) Institutions for the Care of Children; (2) Societies for the Protection and Care of Children; (3) Homes for the Care of Adults, or Adults and Children; (4) Hospitals and Sanitariums; (5) Dispensaries; (6) Institutions for the Blind and the Deaf. The scope of the information is limited somewhat because of the use of the correspondence method in conducting the canvass. Difficulty was encountered in compiling the statistical data covering finances, especially in determining "running expenses" and "permanent improvement."

Probably the most important feature distinguishing the report from that for 1904 is its record of placement of children in homes. The conception of a family home for each child as the ideal solution of the dependent-child problem had made so little progress up to 1904 that a census investigator could not legitimately take cognizance of it. Interesting tendencies in other parts of the child welfare field may be gleaned, such as the extent to which the cottage system of housing institution children has been adopted. The method of presenting some of the data reveals the modern tendency to regard "wards of the state" as individuals, each with distinctive characteristics, rather than in the mass.

Tables show that 35 per cent of the total number of institutions are recipients of public aid, as distinguished from private donations; that 31.8 per cent of the total income of all institutions is from public appropriations, and that the highest average receipts per institution from any source are from such appropriations. There appears to be arising a realization that even where distress does not necessarily go so far as pauperism, it involves detriment, if not danger, to the welfare of the community, and that dependents of all classes may properly come within the scope of public supervision and control.

FRANK D. WATSON.

Insurance

The paper of Louis I. Dublin, statistician of the Metropolitan Life Insurance Company, read before the American Public Health Associa-

tion, September, 1913, on *Possibilities of Reducing Mortality at the Higher Age Groups* has been printed as a separate pamphlet. Emphasis is placed upon the need of greater municipal control of communicable diseases of early life, the prevention of the spread of venereal disease, the intemperate use of alcoholic beverages, the improvement of labor legislation, factory sanitation, and medical examination of employees.

The *List of Securities Held by Insurance Companies with Valuations Fixed as of December 31, 1913*, prepared for the National Convention of Insurance Commissioners, has been issued from the office of the State Insurance Commission of New York (Albany, 1914, pp. 774). This not only throws light upon the investments of insurance companies, but also provides data in regard to the valuation of municipal and state bonds.

The Association of Life Insurance Presidents has published two pamphlets in the series of "Betterment of Life Insurance Service," on *Bequeathing Our Debts*, a compilation of excerpts from newspapers following a discussion which was held at a recent meeting of the association. This relates to the evils which are following the increased practice of policy holders borrowing on their policies, and the consequent reduction of protection to widows and orphans. In the same series is also, *Are You Borrowing from Your Widow?* (pp. 33). The growth of the policy loan practice is statistically illustrated in an article by R. L. Cox. In 1912 the ratio of policy loans and premium notes to reserves was 16 per cent as compared with 6 per cent in 1900. It is estimated that not over 10 per cent of policy loans are ever repaid.